



# Rhode Island Department of Revenue

## Division of Taxation

ADV 2020-53  
ESTATE TAX

ADVISORY FOR TAX PROFESSIONALS  
DECEMBER 1, 2020

### **Rhode Island estate tax credit and threshold set for 2021**

*Law provides annual adjustment based on widely used measure of inflation*

PROVIDENCE, R.I. – The Rhode Island Division of Taxation today announced the Rhode Island estate tax credit amount and threshold for the estates of decedents dying on or after January 1, 2021.

The Rhode Island estate tax credit amount will be \$70,490 for decedents dying on or after January 1, 2021, up from the current credit amount of \$69,515 (which applies for decedents dying in calendar year 2020).

As a result, the Rhode Island estate tax threshold will be \$1,595,156 for decedents dying on or after January 1, 2021, up from the current threshold of \$1,579,922.

Rhode Island estate tax threshold amount	
For decedent whose death occurs in:	Estate tax threshold amount is:
2021	\$1,595,156
2020	1,579,922
2019	1,561,719
2018	1,537,656
2017	1,515,156
2016	1,500,000
2015	1,500,000
2014	921,655
2013	910,725
2012	892,865
2011	859,350
2010	850,000
2009	675,000

#### BACKGROUND AND EXPLANATION

Legislation enacted in 2014 made a number of changes to Rhode Island's estate tax. For example, the new law established a Rhode Island estate tax credit of \$64,400, shielding \$1.5 million in assets from the tax -- for decedents dying on or after January 1, 2015.

The new law also established that, starting January 1, 2016, the credit would be adjusted by the percentage increase (if any) in the consumer price index for all urban consumers (CPI-U), determined as of September 30 of the prior calendar year. The adjustment would be rounded up to the nearest \$5.00 increment.

The U.S. Department of Labor's Bureau of Labor Statistics (BLS) announced on October 16, 2020, that the index (before seasonal adjustment) had risen 1.4% over the previous 12 months (through September 2020).

Accordingly, for decedents dying on or after January 1, 2020, the credit amount increased to \$70,490, shielding from taxation the first \$1,595,156 of an estate.

Thus, in general, for a decedent dying in 2021, a net taxable estate valued at \$1,595,156 or less will not be subject to Rhode Island's estate tax.

(In certain circumstances, the Rhode Island estate tax will not apply regardless of the estate's size: Rhode Island General Laws Chapter 44-22 provides full details on the computation of the tax, including such factors as the marital and charitable deductions.)

Rhode Island estate tax credit	
<i>For decedent whose death occurs in:</i>	<i>Estate tax credit amount is:</i>
2021	\$ 70,490
2020	69,515
2019	68,350
2018	66,810
2017	65,370
2016	64,400
2015	64,400

For questions about the estate tax, contact the Division of Taxation's Excise & Estate Tax unit from 8:30 a.m. to 3:30 p.m. business days: Call (401) 574-8829 and select option # 8.

---

*The Rhode Island Division of Taxation is open to the public from 8:30 a.m. to 3:30 p.m. business days. For more information, contact the Division of Taxation at (401) 574-8829 or see <http://www.tax.ri.gov/contact/>.*

---